

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

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Special Distribution

Committee on Government Procurement

ARTICLE IX:6(b) NEGOTIATIONS

Information Concerning Rules of Origin and the
Treatment of High-Priced Bids

Note by the Secretariat

Addendum

At the Committee's meeting on 19 September 1984 the delegation of Japan submitted the following additional reply concerning rules of origin and the delegation of Singapore the following replies concerning rules of origin and treatment of high-priced bids.

I. RULES OF ORIGIN

- (a) What origin rules are presently applied by the Parties in the context of government procurement?

JAPAN

There are no specific rules of origin for the single purpose of the government procurement. (Each entity determines the origin of a product based on the declaration submitted by the supplier, case by case.)

The Japanese custom houses generally determine the origins of foreign products according to the accompanying invoices, and the point whether or not the products in question are purchased for government procurement does not influence the determination of the origin.

Japan applies the Process Criterion based on the CCC Nomenclature to determine the origins of foreign products.

SINGAPORE

The Central Supplies Department takes the country of origin of a product to be as stated by the tenderer. CSD only checks on the origin of the finished product and not the origin of the components that make up the product.

The Public Works Department considers the country of manufacture of the final product as the country of origin of the whole product. The origin of the constituent intermediate components is not taken into account.

(b) How do the Parties treat products originating in non-Parties to the Agreement?

SINGAPORE

Both entities do not practise any discriminatory treatment for products from different origins.

II. TREATMENT OF HIGH-PRICED BIDS

What are the modalities in national laws and practices to deal with situations in which all bids are regarded by an entity as unreasonably high?

SINGAPORE

If all bids are considered unreasonably high, tenders may be recalled with revised specifications if necessary. If it is unlikely that better prices could be obtained from a recalled tender, then the most advantageous offer from the first tender may be recommended. The purchase may even be cancelled or postponed if it is of low priority.